



Carlos Jackson
Executive Director

**HOUSING AUTHORITY
of the County of Los Angeles**

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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

August 9, 2005

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVE AN AGREEMENT TO NEGOTIATE EXCLUSIVELY WITH SELECTED
DEVELOPER FOR DISPOSITION, DEVELOPMENT AND SALE OF SINGLE-FAMILY
HOMES IN UNINCORPORATED WILLOWBROOK (2)
(3 Vote)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve a 180-day Agreement to Negotiate Exclusively (Agreement), presented in substantially final form, between the Housing Authority and Olson Urban Housing, LLC (dba The Olson Company), a Delaware limited liability corporation (Developer), to negotiate a Disposition and Development Agreement (DDA), for the Salinas Avenue Homeownership Project, a 9.5-acre development consisting of up to 95 single-family homes, to be located at 13024 Salinas Avenue, in unincorporated Willowbrook.
2. Authorize the Executive Director to execute the Agreement, to be effective following approval as to form by County Counsel and execution by all parties.
3. Authorize the Executive Director to amend the Agreement, to extend the negotiating period by up to a maximum of two 90-day periods, to be effective following approval as to form by County Counsel and execution by all parties.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to authorize the Housing Authority to exclusively negotiate the terms of a DDA with the Developer for disposition of a Housing Authority-owned parcel and the development and sale of up to 95 single-family homes on the site.

FISCAL IMPACT/FINANCING:

There is no fiscal impact associated with this action. The Developer will submit to the Housing Authority a good faith cash deposit, in the amount of \$15,000, to ensure that the Developer will proceed diligently and in good faith to negotiate the Agreement.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On January 14, 2005, the Salinas Avenue Residential Homeownership Project Request for Proposals (RFP) was issued to solicit proposals for the development and sale of up to 95 single-family homes on 9.5 acres of contiguous Housing Authority-owned land. A portion of the homes will be reserved for households earning at or below 80 percent of the area median income (AMI) for the Los Angeles/Long Beach Metropolitan Statistical Area.

On March 25, 2005, three proposals were submitted for initial review. One proposal was disqualified because it was turned in after the deadline stated in the RFP. Another proposal was deemed not responsive to the requirements stated in the RFP because the developer did not meet the minimum experience requirement. The proposal submitted by The Olson Company met the threshold and technical review requirements.

The Developer's proposal went through a three-step review process, which included a technical review, background and reference checks, and an oral presentation/interview. Independent technical consultants completed the first two steps of the review process. On June 1, 2005, an Independent Review Panel, comprised of one County of Los Angeles Housing Commissioner, one housing development consultant, one affordable housing finance specialist, one architect, and one Housing Authority employee from the Construction Management Division, affirmed the technical score when it convened for the oral presentation/interview.

During the oral presentation/interview process, the Developer provided clarification on the development team's roles and responsibilities, experience with similar projects, the development design, the project's financial structure, the marketing and sales plan, the Homeowners' Association structure and management approach, as well as the secured financing and overall project timeline. At the completion of this process, the Independent Review Panel scored the interview and arrived at a consensus recommendation for approval.

The Housing Authority now requests authorization to execute the Agreement with the Developer, in order to negotiate a DDA to complete the project, including assumption of ownership of the land by the Developer, outreach to the surrounding community, necessary entitlements and financing commitments, setting the number of affordable units, and construction and sale of up to 95 single-family homes. Upon conclusion of the negotiations, the DDA will be presented to your Board for approval.

This Agreement will be effective following approval as to form by County Counsel and execution by all parties.

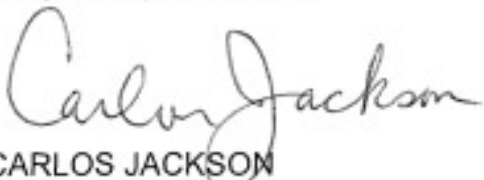
ENVIRONMENTAL DOCUMENTATION:

This Agreement does not commit the Housing Authority to a particular course of action, and is not subject to the requirements of the California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA). All CEQA and NEPA environmental review requirements must be completed prior to the execution of the DDA committing the Housing Authority to this project.

IMPACT ON CURRENT PROJECT:

This Agreement will allow the Housing Authority to negotiate terms of a DDA with the Developer, which will result in the increase of affordable homeownership opportunities in the County.

Respectfully submitted,

A handwritten signature in cursive script that reads "Carlos Jackson".

CARLOS JACKSON
Executive Director

Attachment: 1

AGREEMENT TO NEGOTIATE EXCLUSIVELY

by and between

**THE HOUSING AUTHORITY
OF THE COUNTY OF LOS ANGELES**

and

OLSON URBAN HOUSING, LLC

SALINAS AVENUE HOMEOWNERSHIP PROJECT

AGREEMENT TO NEGOTIATE EXCLUSIVELY

THIS AGREEMENT TO NEGOTIATE EXCLUSIVELY (the "Agreement") is entered into this _____ day of _____, 2005, by and between the HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES, a public body, corporate and politic (the "Housing Authority"), and OLSON URBAN HOUSING, LLC (dba, The Olson Company), a Delaware limited liability corporation (the "Developer"), on the terms and conditions set forth below. The Housing Authority and the Developer are sometimes referred to collectively herein as the "Parties" and each individually as a "Party."

RECITALS

- A. WHEREAS, the Housing Authority issued a Request for Proposals ("RFP") on January 14, 2005, for the development of certain real property located at 13024 Salinas Avenue (the "Site") in the unincorporated Willowbrook area of the County of Los Angeles, and said RFP is incorporated herein by this reference in its entirety as though fully set forth.
- B. WHEREAS, this Agreement is in response to the RFP, in which the Developer was selected to receive an Exclusive Right to Negotiate in accordance with the RFP's requirements.

NOW, THEREFORE, the Parties agree as follows:

[100] Duration of this Agreement

The duration of this Agreement shall be for a period of one hundred eighty (180) days from the date first above written plus a maximum of two 90-day extensions, if mutually agreed to by the Executive Director of the Housing Authority and the Developer ("Negotiation Period"). If, upon expiration of the Negotiation Period, the Developer has not signed and submitted a Disposition and Development Agreement (DDA) satisfactory to the Housing Authority in its sole discretion, then this Agreement shall automatically terminate. The Board of Commissioners of the Housing Authority of the County of Los Angeles ("Board of Commissioners") has authorized the extension of this Agreement at the discretion of the Executive Director of the Housing Authority.

[101] Deposit

Prior to the execution of this Agreement by the Housing Authority, the Developer shall submit to the Housing Authority a non-refundable, good faith cash deposit (the "Deposit") in the amount of FIFTEEN THOUSAND DOLLARS (\$15,000.00). The Deposit shall ensure that the Developer will proceed diligently and in good faith to negotiate and perform all of the Developer's obligations under this Agreement.

The Housing Authority shall place the Deposit in an interest-bearing account and such interest, when received by the Housing Authority, shall become part of the Deposit.

[200] Good Faith Negotiations

The Housing Authority and the Developer agree during the Negotiation Period set forth above to negotiate diligently and in good faith to prepare the DDA for execution by the Developer and for submission and approval by the Board of Commissioners, in the manner set forth herein with respect to the development as referenced in Section 300 hereof (the "Scope of Development") of the Site. The Housing Authority agrees, for the Negotiation Period, not to negotiate with any other person or entity regarding development or transfer of the Site. During the term of this Agreement, except as provided in the RFP, the Housing Authority shall keep confidential all information, plans, projections, and reports provided to the Housing Authority by the Developer in connection with the review, evaluation, and development of the Site and shall not disclose any such material to any third party, except to the extent required by law, without the express written consent of the Developer.

In the event at any time during the Negotiation Period the Developer does not negotiate diligently and in good faith as determined by the Housing Authority in its reasonable discretion, the Housing Authority shall give written notice thereof to the Developer who shall then have thirty (30) business days to negotiate in good faith to the satisfaction of the Housing Authority. Following the receipt of such notice and the failure of the Developer to thereafter negotiate in good faith within said thirty (30) business days, this Agreement may be terminated upon written notice by the Executive Director of the Housing Authority. In the event of such termination by the Housing Authority, the Housing Authority shall retain the Deposit and any interest earned thereon.

Except as provided in the preceding paragraph, upon termination of this Agreement on or before the expiration of the Negotiation Period (which may include any authorized extension of the original 180 day period), neither party shall have any further rights against or liability to the other under this Agreement.

If a DDA is approved and executed by the Housing Authority and the Developer, the DDA shall thereafter govern the rights and obligations of the parties with respect to the Development and shall supersede this Agreement.

[300] Scope of Development

The negotiations between the Developer and the Housing Authority shall be for the disposition, construction and sale of the Development that was proposed by the Developer entitled "Salinas Avenue" (the "Developer Proposal"), and that was recommended by the Housing Authority's Independent Review Panel at its June 1, 2005 meeting. The Developer Proposal is incorporated into this Agreement by reference, as though fully set forth herein.

[400] Purchase Price and/or Other Consideration

Any applicable purchase price for properties within the Site to be paid to the Housing Authority by the Developer, and/or other consideration to be paid to the Housing Authority by the Developer under the DDA, will be identified in the DDA which will be

approved by the Board of Commissioners.

[500] The Developer

[501] Nature of the Developer

The Developer is a Delaware limited liability corporation.

[502] Office of the Developer

The principal office of the Developer is:
Olson Urban Housing, LLC (dba, The Olson Company)
3020 Old Ranch Parkway, Suite 400
Seal Beach, CA 90740
ATTENTION: Todd Olson, President

Todd Olson is the Developer's authorized representative to administer and implement this Agreement.

[503] Full Disclosure

The Developer shall make full disclosure to the Housing Authority of its principals, board members, major partners, joint venture partners, key managerial employees, other associates (collectively, "principals"), and all other material information concerning the Development, including education, experience, and qualifications of Developer and its principals whose identities, development experience, and qualifications are of great importance to the Housing Authority and are the bases for the Housing Authority to enter into this Agreement.

Any change of the principals of the Developer, with the exception of board members, must be approved by the Housing Authority in its sole discretion during the term of this Agreement.

[600] Developer Financial Capacity and Financial Ability

Prior to approval and execution of the DDA by the Developer and the Housing Authority, the Developer shall submit to the Housing Authority evidence of its ability to finance the construction of the Development to the satisfaction of the Housing Authority in its sole and reasonable discretion.

[700] Developer Pre-development Activities

[701] Public Participation

During the Negotiation Period, Developer must hold public meetings to obtain community comment on the Development. As requested by the Housing Authority, the Developer must facilitate such public meetings and be prepared to report on and respond to questions and comments by the community.

[702] Developer's Findings, Determinations, Studies and Reports

Upon reasonable notice, as requested by the Housing Authority in its sole discretion, the Developer shall provide written progress reports to the Housing Authority on any matters, including plans and studies related to the Development.

[800] The Housing Authority of the County of Los Angeles

[801] Office of the Housing Authority

The principal office of the Housing Authority is:
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755
ATTENTION: Taufiq K. "Syed" Rushdy, Director
Housing Development and Preservation Division

The Director of the Housing Development and Preservation Division is the Housing Authority's authorized representative to administer and implement this Agreement, subject to any appropriate approvals of the Executive Director of the Housing Authority and Board of Commissioners.

[900] Housing Authority Assistance and Cooperation

The Housing Authority shall assist and cooperate in providing the Developer with appropriate information and assistance for the development of the Site, as the Housing Authority determines in its sole discretion.

[1000] Limitations of this Agreement

This Agreement does not constitute a commitment of any kind by the Housing Authority regarding the sale, transfer, or development of all or any part of the Site. Execution of this Agreement by the Housing Authority is merely an agreement to enter into a period of exclusive negotiations according to the terms hereof, reserving final discretion and approval by the Board of Commissioners as to any DDA and all proceedings and decisions in connection therewith.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date and year first above written.

**HOUSING AUTHORITY OF THE COUNTY
OF LOS ANGELES**
a public body, corporate and politic

OLSON URBAN HOUSING, LLC
a Delaware limited liability
corporation

BY: _____
Carlos Jackson, Executive Director

BY: _____
Todd Olson, President

APPROVED AS TO FORM:
Raymond G. Fortner, Jr.
County Counsel

BY: _____
Deputy